



# THE UNIVERSITY OF UTAH

**Office of  
Information  
Technology**

March 10, 2006

## EX PARTE PRESENTATION

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Dear Ms. Dortch:

The University of Utah submits this letter to express our concerns that a number-based contribution mechanism for federal universal service support would have a substantial detrimental impact on this institution.

We have determined that our annual federal universal service obligation would increase from about \$52,700 to over \$444,000 if a number-based approach were adopted, assuming that the per-number fee for each assigned number was \$1.00.

The University of Utah does not have budgetary flexibility to offset this substantial increase. If approved, the FCC's action would require difficult decisions with respect to institutional priorities, including, but not limited to:

- The elimination of number reserves earmarked for future growth within the University of Utah and University Health Care. This would hinder the ability to network our various telephone systems that serve both on-campus and off-campus locations, which allows for capabilities such as common dialing plans, feature transparency, and enhanced features. But even with this change our obligation would still increase to over \$272,000 annually. This is based on \$1.00 per month for working numbers.

- The transition of budgeted funding from education, research, and health care to the telecommunications budget.
- Delays in efforts to upgrade and modernize voice and data networks, limiting our ability to invest in research networks, wireless networks, and new and innovative technologies to better serve our customers needs.

We fully support the goals of universal service, but feel that the methodology should be equitable to all customers. We are concerned that the number-based approach would require enterprise customers to shoulder a substantially heavier universal burden than they do today in comparison to residential or small business customers. Section 254 of the Act requires that universal service contributions are equitable. The pure number-based approach doesn't appear to satisfy this requirement.

We are further concerned with the manner in which non-number-based services, including special access services, would be assessed under a number-based approach. Because many of our special access services already have associated numbers, an approach which charges special access services and telephone numbers appears to be double billing.

It is our understanding that a suggested alternative has been to establish equivalency ratios similar to the Centrex/PBX ratios to ensure that enterprise customers are not disproportionately affected by the transition. On example proposed by Bell South would assess 1 number assessment per PBX trunk and 1 number assessment per 9 Centrex connections. We are concerned about a methodology that uses a 9 to 1 ratio for Centrex connections. The ratio can be dramatically different for small Centrex customers versus large Centrex customers. We have a large Centrex with about 15,000 Centrex connections and 663 "software" trunks. Therefore, our ratio is about a 23 to 1 ratio. We do feel that an approach that uses PBX trunks and not individual numbers would be more equitable for enterprise customers. We would suggest that where possible "software" trunks are used like a PBX trunk instead of a ratio.

We request that the FCC consider the impact of a number-based methodology for universal service funding on enterprise customers, including higher education and health care customers. We believe that any reform in this proceeding should not substantially disadvantage a particular class of customers.

Respectfully submitted,

Stephen H. Hess  
Associate Academic Vice President for Information Technology